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From: CN=Mary Grady/OU=DC/O=USEPA/C=US
Sent: Mon 6/18/2012 1:21:51 PM
Subject: Water Law News for June 18 2012

[EPA Sets Public Meeting on Fracking, Diesel](#)

[Maryland Will Not Sue Chesapeake Energy Over Natural Gas Blowout in Pennsylvania](#)

[NRC Study Points to Greater Seismic Risks In Carbon Sequestration Than From Fracking](#)

[Supervisor of Wyoming Commission Resigns After Saying Greed Motivated Pavillion Group](#)

[Republican Amendments Target Farm Bill Energy Programs, Mandatory Spending](#)

[Roadless Area Mining Exploration Projects In Alaska Forest Get Forest Service Permits](#)

[InsideEPA.com - Latest News](#)

[Senate Farm Bill Amendments Seek Top New Agriculture Slots At EPA](#)

[NRC Finds Quake Risks From Fracking Waste](#)

[Hotspot](#)

[S. 641](#)

[E&ENews PM](#)

[Greenwire](#)

[report](#)

[Earthquake map](#)

[EnergyWire](#)

[EnergyWire](#)

[EnergyWire](#)

[EnergyWire](#)

[previewed](#)

[E&ENews PM](#)

[website](#)

[AP/Fuel Fix](#)

[Reuters](#)

[New York Times](#)

[AP/New Orleans Times-Picayune](#)

[Reuters](#)

[Hotspot](#)

[Greenwire](#)

[Read the full edition](#)

[1. COAL: As the lights go out at coal-fired power plants, what happens to the electric grid?](#)

[2. TRADE: Chinese companies plan ways to dodge U.S. tariffs on solar panels](#)

[3. NATIONS: Latin America becomes fertile ground for clean energy investments](#)

[4. CALIFORNIA: Budget amendment changes how state can spend cap-and-trade money](#)

[5. SCIENCE: Malaria-resistant mosquitoes are hatched in laboratory -- study](#)

[6. PUBLIC OPINION: Australian researchers find fearless way to convert climate change doubters](#)

[7. AIR POLLUTION: EPA's soot standards will have 'ancillary' benefits for climate -- experts](#)

[8. NATIONS: Australia cuts number of firms that must pay carbon tax](#)

[9. RENEWABLE ENERGY: Japan to set subsidies matching panel's proposals](#)

[10. ADVOCACY: Union of Concerned Scientists admits error in criticism of GE](#)

[11. NATIONS: Denmark and China to sign green-tech trade agreement](#)

[12. EPA: CEI's Ebell discusses future of mercury bills](#)

[Read the full edition](#)

[1. NATURAL GAS: Man-made earthquakes -- should there be a law?](#)

[2. ARCTIC: Energy prize in Russia's far north fuels speculation of BP-Rosneft deal](#)

[3. DEEPWATER DRILLING: Oil giants weigh risk and high cost of ultra-deepwater exploration](#)

[4. OIL: Exxon, Rosneft expand their partnership to tap Siberia](#)

[5. OIL: Records shed light on local efforts to open public land for oil shale](#)

[6. WORKFORCE: Energy industry attempts to weather a 'silver tsunami'](#)

[7. HYDRAULIC FRACTURING: U.S. lab suggests shale fractures unlikely to threaten water supply](#)

8. OIL: Iraq ramps up production, seeks more power within OPEC
 9. OIL AND GAS: Apache shifts focus from Egypt to U.S. onshore output
 10. BUSINESS: World's richest man invests in Argentina's YPF
 11. ENERGY MARKETS: Petrobras adjusts production goals under new investment plan
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WATER LAW NEWS

JUNE 18, 2012

HIGHLIGHTS

Drilling

EPA Sets Public Meeting on Fracking, Diesel

The Environmental Protection Agency will hold a public meeting June 29 to discuss draft permitting guidance for hydraulic fracturing when diesel fuels are used in the fracking fluid. EPA said it will take both oral and written statements....

Drilling

Maryland Will Not Sue Chesapeake Energy

Over Natural Gas Blowout in Pennsylvania

ANNAPOLIS, Md.—After investigating the 2011 blowout of a natural gas wellhead in neighboring Pennsylvania, Maryland officials announced June 14 that the state found no cause to pursue a lawsuit against Chesapeake Energy Corp....

Drilling

NRC Study Points to Greater Seismic Risks

In Carbon Sequestration Than From Fracking

Hydraulic fracturing for oil and gas production poses only a low risk of triggering earthquakes strong enough for anyone to feel, but wastewater injection wells pose a larger risk, and an even greater risk may come from carbon capture and storage,...

Drilling

Supervisor of Wyoming Commission Resigns

After Saying Greed Motivated Pavillion Group

DENVER— The supervisor of the Wyoming Oil and Gas Conservation Commission resigned June 14 after he commented that greed and desire for compensation were the reasons homeowners in a northwest Wyoming town claimed that hydraulic fracturing...

Energy

Republican Amendments Target Farm Bill

Energy Programs, Mandatory Spending

Mandatory spending totaling \$800 million in the farm bill's energy title would be eliminated or otherwise undercut by a series of Republican amendments that have been filed to the legislation....

Mining

Roadless Area Mining Exploration Projects

In Alaska Forest Get Forest Service Permits

ANCHORAGE, Alaska—The U.S. Forest Service has granted permits for three mining exploration

projects in designated roadless areas of the Tongass National Forest—all continuations or expansions of current operations....

Inside EPA's Water Policy Report, 6/18/12

<http://insideepa.com/Water-Policy-Report/Water-Policy-Report-06/18/2012/menu-id-127.html>

Senate Farm Bill Amendments Seek Top New Agriculture Slots At EPA

Senators are seeking to give a greater voice to farm interests in EPA's decision-making process, offering amendments to the pending Farm Bill that would create a new "Chief Agriculture Counsel" to advise the agency on rules' effects on the sector and another that would allow the Agriculture Secretary to appoint science advisers.

Latest Blogs

NRC Finds Quake Risks From Fracking Waste

The National Academies in a new report finds disposal of wastewater from hydraulic fracturing and other oil and gas extraction poses some risks of increasing . . .

WATER:

Senate panel to vote on bill increasing global access to safe water

Whitney Wyckoff, E&E reporter

Published: Monday, June 18, 2012

The Senate Foreign Relations Committee is slated to mark up a bill tomorrow that aims to increase the availability of safe drinking water around the world.

S. 641, the "Senator Paul Simon Water for the World Act of 2011," aims to provide 100 million people with first-time access to safe drinking water and sanitation on a sustainable basis within six years. According to the bill, it would enhance the capability of the federal government to implement the already-enacted "Senator Paul Simon Water for the Poor Act of 2005."

Both pieces of legislation are named for the late Sen. Paul Simon (D-Ill.), an advocate on water access issues. Simon authored "Tapped Out," a book about a looming world water crisis (E&ENews PM, March 17, 2009).

S. 641 is sponsored by Sen. Dick Durbin (D-Ill.). A release from Durbin's office said the legislation would, among other things, improve the ability of the U.S. Agency for International Development and the State Department to start up clean water and sanitation programs. Durbin originally introduced the legislation in 2009. It cleared the Senate in 2010 but failed to pass the House.

Earlier this year, two U.N. agencies announced that the world had met a 2015 deadline to improve safe drinking water access but that it would miss a target to improve sanitation by the same year (Greenwire, March 17).

The committee will mark up S. 641 along with a handful of other measures.

Schedule: The markup is tomorrow at 2:15 p.m. in S-116, the Capitol.

ENERGY POLICY:

Waste injection, CCS, geothermal pose quake risks; frack hazard lower -- report

Mike Soraghan, E&E reporter

Published: Friday, June 15, 2012

Hydraulic fracturing presents little risk of causing damaging earthquakes, a government study released today concludes, but earthquakes can be caused by other oil and gas activities, particularly injection of waste from drilling.

Carbon capture and storage (CCS) and geothermal energy projects can also lead to man-made earthquakes, says the report from the National Research Council.

The report suggests implementing "best practices" for avoiding such earthquakes and having regulators make plans for when they begin to occur.

"No mechanisms are currently in place for efficient coordination of governmental agency response to seismic events that may have been induced," the report says. "No best practices protocol for addressing induced seismicity is generally in place for each energy technology."

Sites in the United States and Canada with documented reports of quakes caused by or likely related to energy development from

various energy technologies. The reporting of small induced seismic events is limited by the detection and location thresholds of local surface-based seismic monitoring networks. Click to enlarge. Map courtesy of National Research Council.

The report will be the subject of a hearing next week in the Senate Energy and Natural Resources Committee. Chairman Jeff Bingaman (D-N.M.) requested the report two years ago.

U.S. Geological Survey scientists raised the profile of the issue earlier this year with research finding a "remarkable" rash of earthquakes in the middle of the country that they linked to underground injection of waste brine from oil and gas production (EnergyWire, March 29).

Some state officials have shut down injection wells after earthquakes. But other states have rejected USGS findings linking oil and gas waste injection in their states to earthquakes (EnergyWire, April 16). Scientists are also looking at whether two recent earthquakes near Nacogdoches, Texas, were caused by oil and gas waste injection (EnergyWire, May 21).

Oil and gas producers are exempt from federal environmental laws designed to prevent industrial waste injection wells from triggering earthquakes (EnergyWire, March 22).

Bingaman sought the study of "induced seismicity" because he was troubled that the kind of fears triggered by earthquakes could shake public confidence in the country's growing energy industry.

"Much of public opposition to the deployment of advanced energy technologies in the United States stems from a lack of clear, trusted information regarding the safety of those new energy facilities for the local communities that are their neighbors,"

Bingaman wrote in a June 2010 letter to Energy Secretary Steven Chu, asking for interagency cooperation on such a study.

The study committee began meeting in September 2010, holding meetings in Washington, Texas and California.

Hydraulic fracturing is a drilling practice in which large amounts of water are jammed underground at high pressure to blast apart deep rock formations that then release oil or gas. Production from shales like the Marcellus in Pennsylvania and the Bakken in North Dakota are dependent on a form of fracking that uses millions of gallons of water and very high pressure.

But the study notes fracking itself has been linked to a low number of earthquakes that could barely be felt at the surface.

"The process of hydraulic fracturing a well as presently implemented for shale gas recovery does not pose a high risk for inducing felt seismic events," the report says.

But a lot of that fluid comes back up as brine, even more toxic than it went down. Some can be reused, but eventually most is injected underground. As drilling is becoming more common in the country amid a domestic drilling boom, a lot more water is being injected than in previous years. Because large amounts of water are injected for a long time, injection can increase pressures underground. In rare circumstances, that can cause earthquakes, the report explains.

CCS could also cause earthquakes because it also involves injecting large amounts of fluid, the report says. But the study notes that the seismic potential of CCS isn't well-understood because there are no large CCS projects in operation.

The report says the earthquake potential of geothermal projects appears to be related to fluid balance considerations and temperature changes produced in the subsurface. And different forms of geothermal resource development appear to have differing potential for causing earthquakes.

KEYSTONE XL:

Obama admin to review pipeline's new route around Sandhills

Elana Schor, E&E reporter

Published: Friday, June 15, 2012

The 1,179-mile northern segment of Keystone XL will get a new environmental review to examine the pipeline's new route around the Nebraska Sandhills, the Obama administration announced today.

The supplementary environmental impact statement on pipeline sponsor TransCanada Corp.'s reapplication for a border-crossing permit, previewed today in the Federal Register, is an expected move following the State Department's January recommendation against a presidential permit for the original, longer Canada-to-U.S. pipeline.

But the official start of that extra review amounts to a starting gun for environmental and industry groups to refire their respective demands for a State process that has no chance of proceeding as quietly as the first two years of the pipeline's initial incarnation. National Wildlife Federation climate director Joe Mendelson laid out in a statement the parameters for what greens would consider a fair review, calling on State to evaluate the potential safety risk of shipping the nearly 750,000 daily barrels of heavy Canadian oil sands crude that the pipeline would carry to the Gulf Coast.

The administration, he added, also should look at "the increased carbon emissions that will speed global warming, risks to endangered species and important habitat, protection of our vital water supply, while performing a full and respectful consultation with indigenous tribes."

TransCanada recently moved back its expected in-service date for the northern section of Keystone XL until early 2015, reflecting the administration's estimate that its review process would not come to a close until early next year (E&ENews PM, Feb. 14).

The State Department reiterated that time frame in launching a new website to coordinate public comments on the scope of its new environmental review, stating that Nebraska expects its review of the new route to take up to nine months. It adds, "We will conduct our review efficiently, using existing analysis as appropriate."

The 485-mile southern leg of what was initially called Keystone XL, running from Oklahoma to Texas coastal refineries, is now proceeding with the administration's blessing under the separate umbrella of the Gulf Coast Project.

The administration will accept public comments until July 30 on the supplementary EIS for the segment of Keystone XL that runs from Alberta to Steele City, Neb.

GULF SPILL:

Jury sides with Kevin Costner in actors' legal spat

Published: Friday, June 15, 2012

Federal jurors did not buy arguments that Kevin Costner and a business partner tricked actor Stephen Baldwin and a friend into selling shares of an oil-cleanup company before a multimillion-dollar contract was signed with BP PLC.

"My name means more to me than money, and that's why we didn't settle," Costner said after the verdict.

Baldwin and his friend, Spyridon Contogouris, sold their shares of Ocean Therapy Solutions for \$500,000 and \$1.4 million, respectively. They contended they would have held out had they heard about the deal with the oil giant. BP later issued an \$18 million deposit on a \$52 million order for 32 of the company's oil-separating centrifuges.

Baldwin and Contogouris were asking for \$17 million in damages. After deliberating less than two hours, the jury gave them nothing.

BP used a few of the devices after the 2010 oil spill in the Gulf of Mexico (AP/Fuel Fix, June 14).

Trial date set for former BP engineer

A federal judge has set the trial date for a former BP engineer facing charges related to the 2010 Gulf of Mexico oil spill. Kurt Mix, accused of deleting records pertaining to the size of the spill, is the first person to face criminal charges linked to the disaster that killed 11 rig workers and led to several hundred lawsuits.

Mix faces two counts of obstruction of justice. The judge set the court date for six weeks from the beginning of a January trial to determine who among BP and its drilling partners is to blame for the spill (Jonathan Stempel, Reuters, June 14). -- VWW

ARMY CORPS:

7 years after Katrina, defenses in place around New Orleans

Published: Friday, June 15, 2012

A \$14.5 billion flood defense is now in place around New Orleans.

Workers have completed the 133-mile chain of levees, flood walls, gates and pumps as hurricane season begins once again. It comes nearly seven years after Hurricane Katrina demolished the city's patchwork of walls and levees, which even the Army Corps of Engineers says was "a system in name only."

"This is the best system the greater New Orleans area has ever had," said Col. Edward Fleming, commander of the New Orleans district of the Army Corps.

The structure is built to provide 100-year protection, meaning it is supposed to prevent the kind of flooding that has a 1 percent likelihood of occurring in a year. But Katrina was a 400-year storm, and threats of an increasing number of major storms compound as sea levels rise.

"It's what the country will pay for; it's what [the Federal Emergency Management Agency] insures for," said Tim Doody, president of the levee board that oversees Orleans and St. Bernard parishes. "But our thought and belief is that we all need to be behind protection that's greater than that."

Even so, the Army Corps said the sort of massive flooding that took place in New Orleans after Hurricane Katrina should not occur again (John Schwartz, New York Times, June 14). -- VWW

WATER POLLUTION:

Coast Guard IDs culprit in Mississippi River sheen

Published: Friday, June 15, 2012

The Coast Guard says a miles-long sheen spotted on the Mississippi River on Wednesday came from a storage tank in southwestern Mississippi that was holding a petroleum-based product.

The sheen had largely dissipated by yesterday morning, but Coast Guard Lt. Jonathan Mangum said some material had gathered at spots along the river banks in Mississippi and Louisiana.

The Coast Guard identified El Toro Production Co. of Natchez, Miss., as the responsible party. Officials said two companies have been hired to respond to the leak and that they are working with Louisiana authorities to assess and address any environmental effects (AP/New Orleans Times-Picayune, June 14). -- AS

CHEMICALS:

Exxon Mobil stops refinery leak

Published: Friday, June 15, 2012

Exxon Mobil Corp. said it had a naphtha leak at its Baton Rouge, La., chemical refinery yesterday.

Stephanie Cargile, an Exxon Mobil spokeswoman, said the company found and stopped the leak, which was located at the plant's on-site wastewater treatment facility. The leak contained benzene, she said, so railroad traffic through the plant was put on hold as a safety precaution.

Exxon Mobil secured the leak at the chemical plant early yesterday, according to the Louisiana Department of Environmental

Quality. The agency said nothing "excessive" was detected in the facility's air monitoring. The news comes a day after the company reported a butane leak at a nearby 502,000-barrel-per-day refinery. That leak was also plugged, Cargile said (Selam Gebrekidan, Reuters, June 14). -- VVV

URANIUM:

Colo. judge scraps license for planned mill

Manuel Quinones, E&E reporter

Published: Friday, June 15, 2012

A state judge this week tossed out a radioactive materials license issued for a proposed uranium mill in western Colorado.

The Piñon Ridge project proposed by Energy Fuels Inc. for Colorado's Paradox Valley would be the first new U.S. conventional uranium mill in 30 years.

Denver District Judge John McMullen said the Colorado Department of Public Health and Environment didn't allow for enough public comment on the license.

"Throughout this lengthy review process, we have insisted that the state process should be conducted fairly and that we were denied our rights to a formal public hearing," said Hilary White, head of the Sheep Mountain Alliance, which brought the lawsuit last year. "The court has agreed with us that the review was deficient and unlawful."

The ruling follows a back-and-forth between Colorado regulators and the Nuclear Regulatory Commission, which also questioned whether the state allowed for enough public input (Greenwire, April 12). NRC declined to intervene.

"While the state is required to conduct a hearing which will further delay the project, we are generally pleased with the outcome," Energy Fuels CEO Stephen Antony said in a statement.

Environmental groups say the region is still reeling from the legacy of past uranium mining and milling. They worry about releases of radioactive material and other pollution to the San Miguel and Dolores rivers.

State regulators found some reason to cheer the decision. "We are pleased that the court agreed with us on these important questions, which included issues about financial assurance, long-term care warranty, air emissions, groundwater quality and other factors," the state health and environment agency said in a statement.

Despite a delay in getting Piñon Ridge permitted, Energy Fuels may soon control the country's only conventional uranium mill.

Last month, the company formalized a deal with Denison Mines Corp. to buy its U.S. operations, including the White Mesa mill in southern Utah.

ClimateWire -- Mon., June 18, 2012 -- Read the full edition

1. COAL: As the lights go out at coal-fired power plants, what happens to the electric grid?

As the mercury rises outside, parts of the nation's electricity grid will be pushed to the limits of their capabilities. And John Moura of NERC will have to determine whether sufficient power can move to the right places at the right times to avoid transmission bottlenecks, brownouts and power outages. Difficult as this job is, it will get harder in years to come as the electric utility sector undergoes one of its most sweeping transformations in a century, with hundreds of coal-fired generation units being retired or being retrofitted, mostly with natural gas.

TODAY'S STORIES

2. TRADE: Chinese companies plan ways to dodge U.S. tariffs on solar panels

3. NATIONS: Latin America becomes fertile ground for clean energy investments

4. CALIFORNIA: Budget amendment changes how state can spend cap-and-trade money

5. SCIENCE: Malaria-resistant mosquitoes are hatched in laboratory -- study

6. PUBLIC OPINION: Australian researchers find fearless way to convert climate change doubters

7. AIR POLLUTION: EPA's soot standards will have 'ancillary' benefits for climate -- experts

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9. RENEWABLE ENERGY: Japan to set subsidies matching panel's proposals

10. ADVOCACY: Union of Concerned Scientists admits error in criticism of GE

11. NATIONS: Denmark and China to sign green-tech trade agreement

E&ETV's OnPoint

12. EPA: CEI's Ebell discusses future of mercury bills

EnergyWire -- Mon., June 18, 2012 -- Read the full edition

1. NATURAL GAS: Man-made earthquakes -- should there be a law?

It's not illegal to cause an earthquake. You can't contaminate groundwater, pollute the air or poison endangered species. But federal environmental laws impose no penalty for setting off a seismic rupture that collapses chimneys or buckles roads. Still, when humans make the ground shake with activities tied to oil and gas drilling, or by injecting a power plant's carbon dioxide emissions underground, it tends to make the neighbors antsy. And a study issued late last week by the National Research Council says that industry and regulators could be doing more to prevent earthquakes.

2. ARCTIC: Energy prize in Russia's far north fuels speculation of BP-Rosneft deal

For two weeks, international oil circles have been abuzz about a fiendishly clever plot -- a plan by BP PLC to divorce from its disputatious Russian partners and to win the favor of a new spouse with eye-popping real estate: the Russian state oil company, Rosneft, and its coveted property, the hydrocarbon-rich Russian Arctic.

THIS MORNING'S STORIES

3. DEEPWATER DRILLING: Oil giants weigh risk and high cost of ultra-deepwater exploration
4. OIL: Exxon, Rosneft expand their partnership to tap Siberia
5. OIL: Records shed light on local efforts to open public land for oil shale
6. WORKFORCE: Energy industry attempts to weather a 'silver tsunami'
7. HYDRAULIC FRACTURING: U.S. lab suggests shale fractures unlikely to threaten water supply
8. OIL: Iraq ramps up production, seeks more power within OPEC
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11. ENERGY MARKETS: Petrobras adjusts production goals under new investment plan

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